

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE NOTICE OF PURCHASED GAS)
ADJUSTMENT FILING OF WESTERN) CASE NO. 9556-F
KENTUCKY GAS COMPANY)

O R D E R

On October 31, 1986, the Commission issued its Order in Case No. 9556 approving certain adjustments in rates and providing under certain conditions for the further adjustment of such rates on a quarterly basis in accordance with the provisions of the Gas Cost Adjustment ("GCA") Clause set forth therein.

On April 1, 1988, Western Kentucky Gas Company ("Western") filed its quarterly GCA which is to become effective May 1, 1988, and is to remain in effect until July 31, 1988.

After reviewing the record in this case and being advised, the Commission is of the opinion and finds that:

(1) Western's notice of April 1, 1988, set out certain revisions in rates which Western proposed to place into effect, said rates being designed to pass on the overall wholesale decrease in gas costs from its suppliers in the amount of 8.59 cents per Mcf.

(2) Western's notice set out a total refund adjustment of 2.66 cents per Mcf, which is to return the remaining refunds from previous quarters.

(3) Western's notice set out an actual adjustment of 1.44 cents per Mcf to recover previous undercollections from its customers.

(4) Western's notice set out a balance adjustment in the amount of (5.92) cents per Mcf to reconcile previous actual adjustments.

(5) Western proposed a GCA, or a decrease from its Base Cost of Gas Component, of 34.92 cents per Mcf. This decrease represents the combined effect of the supplier decrease, the refund, actual and balancing adjustments.

(6) Western's adjustments in rates under the provisions approved by the Commission in its Order in Case No. 9556, dated October 31, 1986, are fair, just, and reasonable and in the public interest and should be effective with gas supplied on and after May 1, 1988.

(7) Western's filing of April 1, 1988, included some supplementary information concerning its actual adjustment for which it requested confidentiality. The Commission is still in the process of reviewing this request. Western's information will be accorded confidential treatment until the Commission has finished its investigation and reached a decision.

IT IS THEREFORE ORDERED that:

(1) The rates in the Appendix to this Order be and they hereby are authorized effective with gas supplied on and after May 1, 1988.

(2) The GCA shall be (34.92) cents per Mcf effective with final meter readings on and after May 1, 1988.

(3) Within 30 days of the date of this Order Western shall file with this Commission its revised tariffs setting out the rates authorized herein.

Done at Frankfort, Kentucky, this 29th day of April, 1988.

PUBLIC SERVICE COMMISSION

Richard D. Henning
Chairman

Robert M. Davis
Vice Chairman

Spencer N. Williams
Commissioner

ATTEST:

Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 9556-F DATED 4/29/88

The following rates and charges are prescribed for the customers in the area served by Western Kentucky Gas Company. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of this Commission prior to the effective date of this Order.

RATES:

Applicable to: All Gas Rates Schedules

Gas Cost Adjustment

To each bill rendered under the above named rate schedules there shall be added an amount equal to: (\$.3492) per Mcf of gas used during the billing period.

The base rate for the future application of the purchased gas adjustment clause of Western Kentucky Gas Company shall be:

Texas Gas Transmission Corp.

	<u>Demand-1</u>	<u>Demand-2</u>	<u>Commodity</u>	<u>Gas Rate</u>
G-2	\$4.39	\$.1178	\$2.3892	-0-
G-3	4.66	.1297	2.4133	-0-
G-4	4.85	.1391	2.4306	-0-
Other Purchases			1.80	

Tennessee Gas Pipeline Co.

GS-2	-0-	.5330/Dth	1.9526/Dth
Other Purchases		1.80	
Local Producers	-0-	-0-	2.3168/Dth